

NORTHERN ILLINOIS UNIVERSITY

"Negative Public Opinion vs. Positive Contributions of Labor Unions"

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ABSTRACT:

This project was designed to 1) develop counter-arguments to negative comments regarding labor unions; 2) investigate the current opinion of NIU business students regarding labor unions through a written, anonymous survey; and 3) attempt to change some negative opinions of unions through an oral presentation to the Society for Human Resource Management, NIU student chapter. The following paper lists 13 negative comments regarding labor unions and the counter-arguments to those comments. It presents, and was intended to present a one-sided, positive view of labor unions and includes some economic analyses. The opinion survey, results, and corresponding charts are displayed in Appendix A, B, and C.

Introduction

Friends of Thomas Geoghegan, twenty-eight-year-old lawyers, driving BMWs, making "only" \$100,000 per year truly resented the fact that the Teamsters make \$40,000 a year, "you know, just by driving a truck"...(Geoghegan, 160)

"Out there in suburbia, labor is very, very still... They know that the rest of the country is gunning for them: for their cars, their RVs, their Chicago Bear tickets, their big, high-wage, high-pension jobs. After all, this is America, and there should be no "working class," with people making \$40,000-\$50,000 a year. There should just be one big indeterminate middle class, like in Les Miserables."(Geoghegan, 6)

This seems to be the attitude of people I encounter. I hear it from fellow-students in my "white-collar-preparatory" classrooms: "The unions are ruining this country! They are anti-entrepreneurial! They are causing inflation with their wage and benefit demands. Strikers should be permanently replaced." I heard it, too, at my white-collar job. "Why should some idiot on a production line make \$17.50 per hour?" The woman who said that to me did not realize that she was talking to the wife of one of those "idiots." My question to her was "Why not, as long as the company is still profitable?" As usual, I received no answer. Many of these college-educated people feel that anyone who does not go to college and chooses to work with his/her hands or back does not deserve to make much more

than \$5 or \$6 per hour. In a country built on hard work and manual labor, where did that attitude come from? Why is it easier to swallow a multi-million-dollar executive salary than a blue-collar wage sufficient to feed a family of four? That is what I am attempting to find out (and hopefully change) through this paper and an oral presentation to a group of future managers (Society for Human Resource Management, SHRM, NIU student chapter).

In order to get a clearer picture of business-student opinions about unions, I conducted a survey of 300 NIU college of business (COB) students. A copy of the survey is attached in Appendix A. The results (from 212 COB and 26 SHRM respondents) are listed in Appendix B. Corresponding charts are depicted in Appendix C.

One might ask, why I, a future manager, would care whether unions get a fair shake. The answer is two-fold. First, I come from a blue-collar, union background and I have seen the positive side of what unions can do for workers and their families. Second, my mother, husband, and sister are all union members, and I dread the thought of my hostile, white-collar classmates sitting across from them (or people like them) at the bargaining table.

My mother quit high school at 16, when my grandfather left my grandmother. My mother was very smart, and the teachers begged her to stay in high school and go on to college, but she felt she had to go to work and help her

mother with household expenses. (I tell you this only because there seems to be so much animosity towards people who don't go to college or, worse yet, don't finish high school. My point is that, many times, there is more to it than meets the eye. Many of my classmates seem to think it boils down to laziness, and I'm trying to show them that that is not necessarily so.) My mother worked at a couple of different companies until she started at her current place of employment, a unionized glass factory in Streator, Illinois. Then my sister and I were born, my father left, and my mother was left to raise two children as a single parent with no child support. I thank God every day that she had a good job with benefits so that my sister and I did not have to grow up in public housing. In my research, I have not been able to find any statistics about union employment saving people from public aid, but I know firsthand that it happens. If my mother had had to choose between working full time for minimum wage and staying home making more money on public aid, we may have been another welfare family. I credit the union and a successful employer that this did not happen. My mother remains at that unionized glass-factory job; she has been there for over 30 years.

As I previously mentioned, my husband is "one of those idiots who did not go to college." He was never very interested in school, and when he graduated from high school

you didn't have to be college-educated to earn a decent living. There were many union jobs to choose from, so he took one and has been there ever since, for almost 20 years. We own a home, a car, a truck, snowmobiles, and a boat. He faithfully pays child support and was still able to put me through college. I'd say that we are a benefit to the economy, and none of this would be possible without his \$17.50 per hour job. And he would not make near that salary if his job was non-union. (I draw this conclusion based on an informal survey of area businesses and their pay scales. Union factory jobs pay \$12-\$20 per hour; non-union factory jobs pay \$5-\$10 per hour.

My husband, being a loyal union member, will not shop or allow me to shop at a non-union grocery store. I used to question this until our local union grocery store recently changed hands. The new owner was threatening to do away with the union butchers and check-out people and hire only part-time workers for minimum wage and no benefits. These union workers, our friends, began looking into purchasing benefits under COBRA -- \$450 per month for a man and his wife alone. They thought they might lose their homes. One divorced man didn't know how he would pay his child support. In this small community with few job options, the union is what allows these people to be viable members of society and the local economy. Luckily, the new grocery store owners decided to retain the union positions and the people kept

their homes. I no longer question my husband's desire to shop at union stores.

These are just some examples of my own personal positive experiences with labor unions. The following paper represents research of noted economists, labor lawyers, executives, and union members who also see the positive side of organized labor. I have organized this paper around the negative comments about labor unions that I have heard over the past several years, mostly from NIU students. The evidence I present attempts to address and refute the negative comments, or at least diffuse some of the hostility towards unions.

"What have unions ever done for this country anyway?"

According to our history books, a lot, especially in the areas of education, training and benefits.

Organized labor has always been vitally concerned with programs to further educational opportunities for both youth and adults. It was largely through the efforts of early workingmen's associations that a tax-supported school system was established in this country during the first half of the nineteenth century. With the general adoption of public education, organized labor began to be concerned with extending its benefits to an ever-widening group. It opposed child labor and favored compulsory school attendance, and sponsored evening classes in the public schools for employed adults (a precursor to today's work-

sponsored continuing education, adult literacy, and tuition-reimbursement programs).

Some specific examples of labor's contributions to education include the following: The enactment in 1917 of the Smith-Hughes Act for vocational training under a system of federal grants to states, was a culmination of a decade's effort on the part of organized labor. The International Ladies' Garment Workers' Union (ILGWU), a pioneer and outstanding leader in such activities, established an educational department in 1917 which conducted night classes in English, economics, sociology, and related subjects; by 1943 the ILGWU had 17,000 students registered in 700 classes in their various centers throughout the country. In 1921 the Workers Education Bureau was founded to act as a clearinghouse in coordinating the various existing experiments and to stimulate further efforts. Pre-1945, the United Steelworkers held training conferences in various steel centers for their local officers and committee members; in some instances foremen were also invited and joint discussions on shop problems and management-worker relationships were discussed (a precursor to today's participative management techniques). The 1945 CIO Automobile Workers' constitution stated that "education shall be a recognized part of the business of the International union and of each local union." The Agricultural and Cannery Workers, at its first convention

(1937), voted a one cent per capita tax for workers' education and the same year the Flat Glass Workers and the Transport Workers established education departments. (Peterson, 160-70)

While the primary concern of labor unions has historically been to bargain with employers to improve the shop conditions of their members and to make jobs more safe and secure, unions have also been interested in other matters which affect the living standards and well-being of their members and families. Education is one of those auxiliary matters. Benefits is another. Various unions have undertaken different types of programs from time to time, the particular activities and the vigor with which they were pursued being influenced by the economic situations of their members. High on the list of such activities have been health- and life- insurance programs. Others have been directed toward furnishing members with recreational and credit facilities. The Amalgamated Clothing and Textile Workers unions implemented successful housing projects, and a number of unions participated in other forms of cooperative enterprises to furnish members with food and clothing at reduced cost. Some activities which were actively sponsored at one time were later discontinued because of disappearing need; others have been abandoned because of lack of success. Among these failed attempts were cooperatives and banking enterprises; however,

company credit unions are an example of resurgence of some of these ideas.

One of the union's most popular demands, both historically and presently, comes in the form of benefits packages including health insurance, life insurance and pension plans. Many of the early trade unions established in the latter part of the nineteenth century were expressly organized for the purpose of providing various types of these benefits for their members. Until the passage of social security legislation in 1935, union organizers frequently found that the benefit features of their unions were their best selling points when seeking to extend membership.

Organized labor actively participated in the promotion of federal and state pensions and unemployment insurance programs, and following the enactment of the Railroad Retirement Act and the Federal Social Security Act in 1935, labor sought to have these acts liberalized and expanded to cover additional groups of workers and types of benefits. While actively sponsoring government programs, most of the unions which had benefit plans before the enactment of government social security continued their programs. Also, a considerable number of unions promoted other forms of benefit programs, especially sickness and disability insurance, through collective bargaining with individual employers and employer associations. The 1940's found labor

organizations collectively bargaining for and winning sickness and nonoccupational accident insurance programs -- hazards which were not previously covered by government social security.

Specific examples of unions fighting for benefits include the following: The Textile Workers, United Electrical Workers, Furniture Workers, Upholsterers, Jewelry Workers, Fur and Leather Workers, Marine and Shipbuilding, and men's and women's clothing unions were especially active in bargaining with employers for sickness and accident insurance. The New York Hotel Workers fought for such plans through the arbitration process and won. The International Ladies' Garment Workers' and the Amalgamated Clothing Workers were among the first to develop plans, through employer negotiations, which covered practically all their members. In 1913 the International Ladies' Garment Workers' Union established a health center in New York City, and a similar center in 1943; these centers provided medical care for members and their families and administered the sick benefit plans of the various locals in these cities (similar to today's HMO programs).

Another popular form of union benefit activity of the 1930's and 40's was the death allotment made directly from the union treasury. Most commonly this was a lump sum payment of \$100 or \$200, primarily intended for burial expenses. In some cases the allotments were more generous,

and a few unions provided additional allotments of several hundred dollars for the immediate assistance of the dependents of deceased members. This led to collective bargaining for and eventual implementation of the life insurance/death benefit programs we know today.

These examples are intended to show that the reason we have many of our current benefits, in both blue- and white-collar jobs, is because organized labor fought for them in the late nineteenth and early twentieth centuries and continues to fight for them today.

"The monopoly effect of Unions raises members' wages and leads to economic inefficiency; therefore, Unions are bad for the economy."

In their book, What Do Unions Do?, Freeman and Medoff acknowledge what they call this "monopoly face" of unions, but they also recognize a positive side of unionism, which they call the "collective voice/institutional response face" of unions. They state that the reason that the monopoly face of unionism gets more attention is that it is more easily quantifiable than the voice/response face. In their book, they use surveys and meta-analyses to quantify the voice/response face of unionism. On the monopoly side, economists view unions largely as a negative in the labor market, detrimental to unorganized labor and economic efficiency. On the other side are those who believe unions have beneficial economic and political effects. They stress the ways that collective bargaining can induce better

management and higher productivity. These specialists note that unions can increase the development and retention of skills, provide information about what happens on the shop floor, improve morale, and pressure management to be more efficient in its operations. Freeman and Medoff show how the positive voice/response face more than offsets the monopoly face of unionism.

In modern industrial economies, particularly in large enterprise, a union is a vehicle for collective voice, for providing workers a means of communicating with management. Collective bargaining is necessary for effective voice at the workplace for two reasons. First, many important aspects of an industrial setting are "public goods," goods which will affect the well-being of every employee. These public goods in a workplace include safety conditions, heating, lighting, and benefits. One of the most important economic theorems is that competitive markets will not provide enough of such goods unless some form of collective decision making is needed. Without a collective organization, the company has very little incentive to provide these items. The classic "free-rider" problem that accompanies the public goods situation is at the heart of the so-called "union-security" vs. "right-to-work" debate. The second reason why collective action is necessary is that workers who are tied to a firm are unlikely to reveal their true preferences to an employer, for fear the employer may

fire them. This would be fine if we lived in a world in which workers could find employment at the same wages immediately, but this world of perfect competition is not the world in which we live.

According to union opponents, the monopoly face of unions also contributes to income inequality. As Milton Friedman has argued, union wage increases reduce employment in the union sector, increasing the number of persons seeking jobs in the nonunion sector and depressing wages there. To the extent that unions are strongest among high-wage workers, this monopoly effect increases inequality. Freeman and Medoff argue that the claim that unionism increases inequality is wrong. The claim is wrong because the increase in inequality induced by monopoly wage effects is dwarfed by three other trade union effects on wages that reduce inequality: union wage policies that lower inequality of wages within establishments; union wage policies that favor equal pay for equal work across establishments; and union wage gains for blue-collar labor that reduce inequality between white-collar and blue-collar workers. (78)

In sum, Freeman and Medoff feel that labor unions are good for society at large, although they may have a negative effect on individual company profits. The positive social effect of higher productivity, greater wage equality, and the collective voice leading to a better mix of benefits

more than offset the negative effect of union's monopoly face.

"All unions ever want is more, more, more!"

I found example after example of Unions making concessions for the good of the company. The problem is that only the strikes and Union demands make the news, not these examples of cooperation and concession on the part of labor.

At South Works, for example, U.S. Steel (now USX) made the union crawl. It said it would build a rail mill but wanted concessions. The Union made the concessions. Then it wanted more concessions. The Union made those concessions, too. Then it canceled the mill anyway and issued a press release blaming the workers. After that, the Union did not budge; there were no more concessions. The Union said, "You're going to kill it anyway. Just do it and get it over with." That's what made the papers. (Geoghegan, 90)

The stubbornness and violence of the striking Greyhound workers was what made the news in the early 1980s; however, that is only one side of the story. In 1983, Greyhound drivers went out on strike to maintain their wages and benefits (not to get more). At that time, Greyhound wanted a rollback to meet the "threat" of deregulation to the bus industry, even though Greyhound had been lobbying for that deregulation they now claimed to fear. After a short

strike, the drivers took a 14.5 percent pay cut and lost their cost-of-living allowance. In 1987, they took a 24.5 percent cut (on top of the 1983 cut). When they struck again in 1990, all these workers wanted was to get back some of what they lost. Who could blame them? Especially when they knew the owners were making millions in profits on the bus line?(Smith, B6)

Greyhound's drivers were not alone. The early 1980s was the period of the giveback. According to the Bureau of National Affairs, 427 negotiations in 1982 involved concessionary bargaining, of which over half resulted in a concessionary contract in that year. The union concessions of the early eighties are not unprecedented. In both the distant and recent past, unions facing particularly adverse labor market and product market conditions have taken wage cuts to save companies and jobs. In 1908 the Glass Bottle Blowers accepted a 20 percent wage reduction to reduce incentives for automation. In the 1930s union wage scales fell in construction and printing and in the shoe industry. In the 1950s there were concessions in the apparel and textile industries. In the 1960s wage concessions were given in meat packing and in plastering, among other areas.

Tabulations from the Wall Street Journal, Current Wage Developments, and the Daily Labor Reporter show that givebacks have been extensive in the following seven sectors which have undergone extreme economic problems: meat

packing, newspapers, tires, steel, motor vehicles, trucking, and air transport. Wage concessions are generally very large, as one would expect if they are devised to bail out a company or plant on the verge of closure. The 1980s concessions in the auto industry were estimated to reduce labor costs per worker by 7-12 percent; in the airline sector, concessions lowered wages by 10-15 percent. Since inflation was 6-10 percent in the period, the real wage reductions were in some cases over 20 percent. (Freeman, 55-56)

"It's the Unions' fault that many businesses in this country are failing today."

The well-informed public and the failing companies themselves know this is absolutely not true.

The (steel) industry, under Reagan, had little chance to save itself. For some time, since the 1920s, it had been a conservative uncompetitive oligopoly. It restricted output, raised prices, lost market share year after year, and it was just too late to turn things around when the Reagan policies and the high dollar began to take effect. Labor costs were not the big problem. In heavy industry, the capital costs are so large that labor costs are only about ten percent of the cost of the product going out the door: raise wages 10 percent and you raise the entire product cost by just one penny on the dollar. (Geoghegan, 91)

the foreign markets and also underestimated foreign competition in the U.S. Once again, American workers' wages were said to be the primary reason that this American company couldn't compete.

These stories show that it usually takes much more than high wages and benefits to cause a company to get into trouble. Management often makes major fatal mistakes, and labor is left to take the fall.

"Unions should just stay out of it -- companies would do the right thing on their own."

In many cases, this is probably true; however, I found many examples in which moral and ethical actions by companies were not the norm.

In order to avoid paying \$65 million in pensions plus another \$20 million in special shutdown benefits, like severance pay, Harvester (owner of Wisconsin Steel) attempted to close the mill indirectly. It transferred title to a dummy corporation. Then, when this corporate shell went bankrupt, Harvester would not be responsible for paying the pensions. Harvester found an accomplice in Envirodyne, Inc. They transferred title to a subsidiary, EDC Holding Company. EDC transferred title to another subsidiary, WSC Corporation. Under our law, a subsidiary can go bankrupt and normally the parent company will not be liable for its debts. So when EDC or WSC went bankrupt, Harvester and even Envirodyne could say they owed nothing. When Tony Roque, Union President, complained about the plant

closing, Harvester handed him a sheet of paper. Harvester said this document was a guarantee of the pensions, so Roque signed it. In fact, the paper guaranteed just a tiny sliver of the pensions. By signing it, Roque unwittingly released Harvester from everything else. Despite the dummy corporations, some lawyers at Harvester had thought the company could still be liable for the pensions. But now there was Roque's waiver. Harvester was delighted, amazed, that the Union could be so dumb. (Geoghegan, 93-96)

Diamond Walnuts is another company who failed to do the right thing. Diamond had a loyal workforce, mostly female, most of whom had worked for the company for over ten years. During the 1980s, with the onset of the health craze, Diamond Walnuts began to falter. They asked these women to take cut after cut and the women obliged. These women made concessions in good faith, thinking that the company would give them their money back when it could. In the early 1990s, when the company turned around, the women wanted some of their money and benefits back. The company said no, so the workers went on strike, and the company thanked them for their loyalty by permanently replacing them.

Geoghegan tells the story of a medical researcher, who was being courted by a big drug company. She turned them down, but they persisted: "How much do you want? \$150,000? No? \$200,000? \$300,000?" O.K., she said, she would try the job for a week. Every day, at her door, there was a

limousine waiting for her, driven by a Teamster. As she came to know him, and they started talking, she found out he and the other drivers had not had a raise at this company in three years. The company had tons of money, it was doing great, it was just stiffing these guys because...well, why not? Labor is weak now. (Geoghegan, 217)

CDS Midwest, a Chicago shipping company with 90 employees (many 40+ years old), was facing a big pension bill. Their strategy was to prod the employees to go out on strike, but the employees did not take the bait. When they refused to strike, CDS locked them out and then reopened again, in just a few days, with an all-new non-union workforce. The penalties they might eventually face for NLRA violations would be a small fraction of the cost of keeping the union employees and paying their pensions. (Geoghegan, 234)

An attorney friend of Geoghegan gives the following example of corporate corruption when a union is not around to protect its workers: "I have a client who uses illegal workers who sometimes have to change their names. If they do, he drops them to the bottom of the seniority list, even though he knows they are the same men..." (Geoghegan, 262)

These examples prove that companies don't always do the right thing.

"In the above examples of corporate corruption, Unions didn't do anything to help the workers anyway!"

A major reason for this is that labor lacks the

protection it needs to stand up to Management -- legislation against permanent replacement of workers. With this legislation, Diamond Walnut would not have been able to shaft its loyal workforce who had consistently bargained and taken concessions in good faith. Caterpillar might have had to make a serious attempt to talk to its workers. The Federal air-traffic controllers of 1981 would have kept their jobs. The list goes on and on...

The Wall Street Journal (June 29, 1988) stated that, despite a strong economy, unions that year might have to negotiate wage concessions. The Journal asked, almost incredulously, "How can unions be so ineffective, when the economy is growing steadily and living-cost rises would seem to justify raises of 4 percent or so?" The reason is that any union member who goes on strike now can expect to lose his job permanently, in 24 hours.

Geoghegan calls for reforms that go much deeper than just outlawing permanent replacements. His plan includes Union stock ownership and joint control of pension funds.

"Today the Machinists are more powerful than Mineworkers and Steelworkers because their stock ownership sets them apart. It gives them power in negotiations; when you go to the bargaining table, the other side has to listen." (Geoghegan, 243)

"After Taft-Hartly, labor did not even seek joint control of the new pension funds, which the Act did permit. This leaves the employer in total, unilateral control of every pension fund. Even joint control could have made labor an investor, a little bit more of a player, a little harder to bust out of the game. This is just one of a million blunders along the way."(Geoghegan, 246)

Geoghegan also blames deficiencies of the Wagner Act for the weakness of today's labor unions. "On paper, the Wagner Act, passed in 1935, declares there is a right to join unions. I doubt today if any group of workers can form a union if their employer is truly determined to resist. The main reason is, employers can pick out and fire all the hard-core pro-union workers and be assured they face only, possibly, to pay some \$2,000-\$3,000 per person three or four years later, long after the drive is over and the union is in ashes. Just keep firing until the organizing stops. Studies show that a union will increase a company's wage bill by 20 percent plus fringes, benefits, etc. Paying \$2-3,000 per person three-four years later makes good economic sense."(Geoghegan, 252)

"Wagner was weak from the start. The Board, for example, had no power to enforce its own orders. It had to petition for enforcement to the U.S. Court of Appeals. By the 1960s and 70s, employers began to realize that the NLRB was weak. They realized that it was foolish not to fire the

union enthusiasts. In 1984, Professor Paul Weiler of Harvard Law published a study in the Harvard Law Review in which he estimated that about one in twenty union supporters would be fired in a typical organizing drive. This is an underestimate because 1) it does not count the workers who do not file charges when fired and 2) it is a 1980, pre-Reagan, Carter-board estimate. Weiler also found that if a worker does get reinstated, he faces an 80% chance of being fired again within a year."(Geoghegan, 253-254)

Another delay tactic used by employers is years of arguing what "an appropriate bargaining unit" should be. They then "agree" to the most unlikely unit so that they can get the "misfits" to oppose the unit.(Geoghegan, 258)

According to Michael Goldfield's The Decline of Organized Labor in the United States, at the present time unions barely organize .3 percent of the work force annually, with much of this coming in the public sector. Organizing in the private sector has almost stopped. The unionized share of our work force drops every year, currently at 16 percent of the total work force (down from 20-25 percent ten years ago), and 12 percent of the private workforce. According to Goldfield, however, unions can still win over 90 percent of the time under one condition -- when the employer does not oppose or delay the election.

Geoghegan states, "But if the labor laws changed...I think Americans would join unions like crazy. For example:

1) Baseball players join unions, because they know no one will fire them. They know that unions raise their salaries. 2) Canadians also join unions, because they can do so without fear of being fired. 3) In the public sector, where the Constitution protects them, workers are joining unions." Geoghegan's solution: "Let workers join unions without fear of being fired." (Geoghegan, 268)

In 1978, the Carter administration proposed two changes in the Wagner Act: 1) the administrative judges would have the power to reinstate workers immediately, if they had been fired for organizing (which is supposed to be their right, remember) and 2) employers would pay stiffer penalties for illegal firings, including full back pay without mitigation. These changes were massacred by a Democratic House and Senate. (Geoghegan, 278)

"Company owners and Management shouldn't have anyone else telling them what to do -- it's their company, they should be able to run it as they see fit."

The first thing to get straight is that Unions do not tell Management what to do. All that Management is required to do with a Union is to bargain in good faith to impasse. After talking about wages, hours, terms and conditions of employment, management is free to make unilateral decisions. With all the management gurus advocating participative management for better decisions, you would think that management would want to talk to its workers anyway.

If labor doesn't like management's decisions, it is free to strike or go to arbitration. If the Union goes on strike, Management is free to permanently replace them. The big issue in labor-management relations today is not who can survive a strike, but who can survive the arbitrator's bill. Most of the time, labor is no match for management because the company has more money and staff. It can do whatever it wants, and then, after two and a half years, it clobbers labor in arbitration. Then the company tells the public how labor is running the company. (Geoghegan, 166)

This issue of management rights also becomes a philosophical debate: the right-wing believes that companies should be able to do anything they want, and the left-wing thinks that management is answerable to everyone. My personal philosophy is that once management involves communities, people and families in their profit-making companies, they should at least discuss issues before making unilateral decisions. Companies have a moral and ethical obligation to "do the right thing"; and if management won't do it on its own, then the union might have to force it. Companies hold people's lives in their hands; the least they could do is talk to them. Furthermore, chances are good that the collective decision will be better than the unilateral one.

"Union workers are highly overpaid, and that is bad for American business."

It always amazes me when I hear people say this. How could anyone begrudge someone a \$25,000 salary, but not think twice about a multi-million-dollar corporate executive salary? An April 1993 article in Business Week emphasized the widening gap between CEO pay and the pay of other workers. In 1960, the average worker salary was \$4,665, and the average CEO salary was \$190,383, or 40 times higher. In 1992, the average worker made \$24,411, and the average CEO of a large corporation made \$3.8 million, 157 times the average worker. It doesn't take many finance classes to tell you which of these has a greater effect on the bottom line. The top-earning CEO, Thomas F. Frist of Hospital Corporation of America made \$127 million. If ever a layoff were possible in his company, they could keep over 500 workers (at \$40,000 per year plus benefits) just by lowering his salary and stock options to \$100 million. He would still be making well over the second runner-up, Sanford Weill of Primerica, with \$67,635,000 last year.

American union workers are often compared to our foreign competitors on the basis of wages. According to a recent Fortune article, U.S. average hourly wages are higher than our foreign competitors: \$14.77 compared to Western Germany's \$14.67 and Japan's \$9.22. When bonuses and gainsharing incentives are added in, however, U.S. workers are the lowest paid: \$25,000 per year compared to \$35,000

for Japanese workers and \$45,000 for German workers. This article also showed American workers to be more productive, more highly skilled, and better educated than Japanese and German workers. (Magnet, 60)

The median family income in America is \$29,000 a year (1986 statistic). That means that approximately half the families in America are below that. Imagine what it would be like for a family of four to survive on \$29,000 a year, or less -- with both the husband and wife working! "Some of the former union workers are still in "manufacturing." They dip their hands in strange chemicals, for \$5.00 an hour, with no health insurance. They once made \$15.00 and worked for a company that had health insurance, pensions, and a union." (Geoghegan, 233)

It is difficult to say what is good and bad for the economy; it is impossible today to talk about the American economy now as if it were a single, seamless thing. In the old days, it was pretty clear when the American economy was "good" and when it was "bad." Now, with the growing class division, this is a much trickier exercise. "Good" or "bad" for whom? It is eerie how even in South Chicago, even as people were being laid off, they still assumed that, well yes, this is a "boom." For labor, the "boom" was the "crash." (Geoghegan, 213-214)

Robert Reich says that the new global economy has turned the U.S. into a class society, and there is nothing

we can do but watch. There will be three kinds of American workers: 1) symbolic analysts who process information (lawyers, scientists, etc.); 2) routine production workers; and 3) routine personal service workers (secretaries and shoeshine boys). Reich claims that the symbolic analysts have cut loose from the American economy and are no longer dependent on it. They are now part of a global economy, which will always need their services, even if the American economy falls apart. So, Reich says, America's industrial base can disappear and the rich will still get richer.

Formerly, the rich depended in some way on the well-being of the whole nation. Henry Ford paid his autoworkers good wages, Reich says, so they could go out and buy his Model T, and he knew his prosperity was tied to theirs. Japan, unlike the U.S., takes the national economy very seriously. (Geoghegan, 214-215)

Geoghegan describes his experience volunteering in the soup kitchens in South Chicago and the (mostly) men he saw there. Now, maybe, he says, if organized labor had not collapsed, these men would be steelworkers. They would be busboys or dishwashers, and the men who are busboys or dishwashers now would be working in the mills instead. Everyone would advance in the queue. "We could not have created this soup kitchen without busting the unions." (Geoghegan, 219)

Mother Teresa is quoted as saying, "Chicago is worse than anything I have seen in India. India has been struggling with a caste system for centuries, whereas here, in the U.S., we have created our underclass in just one decade." (Geoghegan, 221)

"Unions don't do anything to make the workplace safer -- all you ever hear about is accidents at union worksites."

A study of nine Boston non-residential construction sites found that open shop workers had worse safety performance histories than did their unionized counterparts. The study concluded that safety seems to be "significantly related to union membership," most likely due to the younger age of non-union workers. Out of 384 union and non-union workers, 48 percent of the non-union workers were under age 26 and that 68 percent of the workers in that age group had low safety performance. This also shows the lack of stability in these non-union jobs. "Union workers distinguished themselves by better training, more stable employment, and a work-place where regular safety meetings are held." Nonunion workers had less formal training and fewer safety meetings. Union members also had "better knowledge of safety practices and felt they had more control over their own safety." The training and perception of control are the two factors deemed to significantly impact safety performance. (Contractor, 1)

This safety factor is also apparent on our nation's highways. Gypsies are independent, non-Teamster truck

drivers who drive an average of eighteen hours a day, something the Teamsters would not allow. More Gypsies and fewer Teamsters mean more dangerous highways. (Geoghegan, 140)

These are just two of the many examples I found of union workplaces being safer than non-union workplaces. The literature overwhelmingly states that union workplaces are by far safer.

"Unions always protect the most senior workers and this is not always the most efficient solution."

There are obvious costs of seniority, such as possible reductions in efficiency as workers find merit to be less well rewarded, but obvious benefits as well, such as replacement of the uncertainty of managerial discretion by rules, and protection for vulnerable older workers. In theory, the competitive market may fail to produce socially efficient labor contracts because it places too little weight on the interests of workers whose mobility costs are high (usually senior workers) and is generally unable to enforce contracts with deferred benefits that may improve productivity. Kuhn (Western Ontario) has analyzed the likely net effect of union seniority rules on economic well-being and has shown that the rules' impact depends on the type of market in which the union operates. Union seniority rules are likely to be socially advantageous when the costs of mobility are high and the productivity of senior workers considerably lower in jobs other than their current jobs and

when there are gains to be had from workers staying with firms for long periods. Under other circumstances, the effect of the rules is ambiguous. The net effect of the rules then are a social benefit.

Also, the charge that seniority is injurious to minority economic interests is wrong, because large numbers of minority workers have accrued sufficient seniority to be its beneficiaries. While specific cases exist where layoffs by inverse seniority will harm efforts to increase minority representation, in general seniority is not harmful to the economic interests of minorities. (Freeman, 135)

"Union members are the most dissatisfied group of workers -- if they don't want unions, why should anyone else?"

Freeman and Medoff's explanation for this union-member dissatisfaction is simple: Union members have the freedom to be more vocal about their dissatisfaction than do non-union members. This is part of what helps reduce quit rates (causing an increase in productivity). Freeman and Medoff call this "the exit-voice tradeoff." Unionism reduces turnover, first by creating desirable work conditions, and second by providing discontented workers with a voice alternative to quitting. (94)

"Unions force Management to hire and keep incompetent workers."

In most situations, the union can't choose its members. If a human resources department messes up and hires a bad apple, it is not just management that is stuck with it. The

labor organization is stuck as well. As much as a union representative might prefer not to have to defend somebody, it's his/her job. The purpose of the investigation process is to try to straighten an employee out, to let him/her know what kind of performance and conduct are expected, if he/she didn't know before. This system attempts to prevent injustice and labor can't be faulted for that. After all, it was management who hired the bad apple in the first place.

"Management and labor have a lot in common; good union people share management's feelings when it comes to bad apples. The people who give management problems are the same people who give the labor union problems." (Welty, 9)

Much of the time, when Management is blaming the Union for protecting one of its workers, Management should look in the mirror. Union contracts normally require "just-cause discipline" which includes documentation of offenses and repeated verbal and written warnings. This is simply a fair system to protect workers from arbitrary and capricious actions of Management. If Management is not documenting poor performance or issuing verbal and written warnings, then lax Management practices are to blame for retention of incompetent workers, not Union contracts.

"Union workers are not as productive as non-union workers -- employee involvement programs are the key to productivity."

A study of metal-working plants in 21 different industries was done by Maryellen Kelley, management

professor at Carnegie-Mellon University, to determine the effect of unions and employee-involvement programs on productivity. The union-only (no employee-involvement) shop was the most efficient. Average production time per unit of output was 35 percent longer among non-union plants than among those with unions. (Miller, 24)

"What's clear is that employee involvement, which has sometimes been heralded as an alternative mechanism for unions -- in allowing employees to have greater control over their work -- is not having the desired effect," says Kelley. Kelley feels that the old ways are the best for resolving worker-management disagreements in factories and plants. "Unionization is an adaptable, representative form of employee voice... Unions work by having interactions by stewards and managers as a mechanism for working out various nuts-and-bolts, nitty-gritty problems. The fact that unions can hold strikes over the heads of management gives workers a real power not found in other situations." Kelley is not, however, endorsing the old adversarial relationship. Unions have had to adapt like everyone else to the changed rules of the world marketplace. They don't want the plant to shut down any more than management does. (Miller, 25)

Although employee involvement makes workers and managers feel good, it is largely irrelevant to productivity. Richard Freeman, Harvard professor of economics agrees. "If you don't really give workers any

power, then employee involvement is not going to work." With unions, on the other hand, Freeman says, "there's a definite sense that you're paid high wages, and you'd better be more productive. And there's a significant body of literature that says that unions are very productive."(Miller, 26)

In Japan, unions and employee participation go hand in hand, and unionization extends up to middle management. According to Kelley, the only place in the U.S. with that kind of worker representation is in the public sector's organized school teachers and government bureaucrats.

In Germany, works councils are set up if even 20 percent of the workers want one. Employees up to middle managers are elected to serve on them. Since our NLRB views these councils as "company unions" and therefore illegal, our labor laws would have to be modified to allow them. Kelley feels that this is our answer.(Miller, 28)

The empirical evidence to date is, on balance, on the side of the view that unions increase productivity.(Freeman and Medoff 1984) Freeman and Medoff argue that although "featherbedding" reduces productivity through overmanning of machines and restrictive work practices, this negative effect of unions is more than offset by the positive effects of better information flows and the effects of higher wages on quit rates and labor quality.

At first it would seem natural that unions would bargain to reduce the effort of their members in exactly the same way as they increase the wage rate. The monopoly union model, however, shows that if higher effort increases the marginal physical product per man, then it may cause the demand curve for labor to shift to the right. This would mean increased employment. (Bulkley, 153)

According to Freeman and Medoff, both the voice/response face and the monopoly face of unionism lead to increases in productivity. Neoclassical economic analysis states that, since Unions raise wages, Management logically raises capital per worker and hires better workers to raise productivity. The voice/response reasons for higher productivity include reduction in quit rates or turnover, improvements in managerial practices, improved morale, and worker input. (Freeman, 171)

Even the Unions' work rules, which irritate Management by decreasing flexibility, do not have a negative effect on productivity.

"If Union workers wanted more money, then they should have been smart and gone to college."

The fact is that prior to the 1980s, especially in the 1970s, the differential between college-graduate and high-school graduate wages was so small that for many people, going to work in a Union factory was the smart thing to do. This is the reason for a decline in college enrollment in the 1970s. A current, higher differential explains the

college-enrollment increase of the 1980s and 90s. (Ehrenberg, 261)

"No one wants unions anymore -- their membership just keeps declining."

It is true that the share of union workers among all workers in the U.S. has decreased from a peak of 35 percent in 1945 to 23 percent in 1980 and to 16 percent in 1990. According to the Bureau of National Affairs Director of U.S. Labor Organizations, 21 million people belonged to a trade union in 1980 and only 17 million belonged in 1987. Reasons for union decline include global competition; rise in corporate strategy known as union avoidance; deregulation of key industries such as airline and trucking; "worker participation" replacing unions; and nine of ten new jobs created through 1995 will be in the service sector. "The single most important factor in the decline of the labor union has been the shift of the work force from bluecollar workers in manufacturing to the knowledge worker. Union's basic values, beliefs, and commitments are rooted in the industrial workers' union. Without such a core, there could be no labor union." (Boissoneau, 508)

Signs are appearing, however, that unions are starting to come out of their doldrums. An upswing in organizing activity, new organizing methods and messages, a \$13 million Union Yes ad campaign designed to bolster the image of unions, and the increasing job security concerns of all workers, from bluecollar to whitecollar to pink-collar, have

lead to more organizing success by unions in the last two years than in the preceding decade. Total union membership declined by 62,000 workers in 1987, a far cry from the first half of the 80s when union membership fell by 3.1 million. (Boissoneau, 515)

Examples of union resurgence include the following:

Since 1985, several major unions have added more members than they have lost through plant closings, mergers, takeovers, and acquisitions.

In the last five years, the 1.1 million member United Food and Commercial Workers International Union (UFCW) has added 400,000 new members (slightly more than it lost), and last year became the first union in the U.S. to ever add 100,000 new members in a single year through organizing.

Since 1987, the International union of Electronic Workers (IUE) has succeeded in over 80 percent of its organizing campaigns (compared with a national average of 40 percent). (Boissoneau, 509)

More and more labor leaders have master's degrees and law degrees. As a result, unions are more organized and their workers are better trained. These factors, coupled with increasing employee frustration over the economy, all contribute to the rise in union popularity.

With more women and minorities entering the work force, the work force is angrier due to past discrimination suffered. These employees may be more likely to challenge

employers. Women earn 64 cents for each dollar earned by a man. In addition 30 percent of working women are in low-paying clerical jobs and 18.5 percent are in the service field.

Part of the new union appeal stems from mergers, takeovers, acquisitions and restructuring and the job insecurity that comes with them. Although unions and workers are aware that union representation is not a guarantee that a job won't be lost, workers take comfort in some protection. The union gives employees' a voice in determining what's going on, such as deciding between layoffs or a four-day week. This recently came up at my husband's plant, and the workers chose to take four four-day weeks this summer rather than see fellow employees lose their jobs. Had the company decided unilaterally, they may not have chosen that option.(Boissoneau, 510)

The percentage of union membership in the health care industry steadily increased during the 1980s. It increased from 14 to 20 percent of the industry's approximately 6.9 million workers. The hospital employees most vulnerable to unionization in the 1980s were technical employees and registered nurses. This was mainly because hospitals were plagued by labor shortages in these areas and those employees were under a great deal of stress.(Boissoneau, 514) These shortages continue in rural areas and inner cities, but the nursing profession is currently plagued by

layoffs due to shortened hospital stays and expanded outpatient treatment. (Bowermaster, 84)

"Unions lead to lower profits."

If firms insist upon viewing unions from a purely quantitative standpoint, this is the only claim that I cannot refute. Unions cause a lower bottom line by taking higher wages and more benefits.

For firms, it is estimated that the lower turnover is equivalent to a 1-2 percent reduction in cost, a 1-2 percent increase in productivity. These savings are dwarfed by the union wage effect. The magnitude of the social cost of unionism is estimated by Freeman and Medoff to be .3% of the GNP, the cost being born by individual companies and the benefits being gained by society at large. This is the paradox of American unionism. It is usually a plus on the overall social balance sheet and a minus on the corporate balance sheet.

What policies might better enable society to benefit from the pluses and reduce the minuses of the individual company? Freeman and Medoff suggest that we must develop policies that strengthen the voice/response face of unionism and weaken the monopoly face. This strengthening of the voice/response face is happening today in programs such as "Quality of Work Life" and "Employee Involvement". As the principal weapon against monopoly power, Freeman and Medoff suggest continued governmental efforts for deregulation.

They also oppose efforts to reduce foreign competition for the purpose of bailing out particular sectors.

Conclusion: "Why do we need unions today, anyway?"

Thomas Geoghegan provides a two-fold answer to this question in his book, Which Side Are You On:

1) "I recently saw a man who was a dispatcher at a trucking company. He was a good employee for many years, and then one day he had a heart attack, and sometime later "got whacked for no reason." I asked if there was anyone in the company who could testify in his favor, say that he was a good employee. Unfortunately, all his friends were in "management" and could be fired if they were to testify. This is called employment at will. The only employees who could testify without fear of being fired were the union employees. Their union contract ensured "just cause" firing; it would be too much trouble for the company to fire them for testifying." (Geoghegan, 272)

2) "I was astonished at some of the men who were still working at Wisconsin Steel when it closed. I saw (no kidding) amputees, asthmatics, old men with pacemakers, men with arthritis, and many who were missing a finger or two...I understood, at last, why there is an organized labor when I saw the (steel) mills close and the men, like pack animals, wobbling out of them on shaky legs. Apparently, management left them alone because the Union and the Union contract made it a big nuisance to get rid of them. There

would be step one, step two,...and then arbitration. It was probably cheaper to work around the cripples anyway and not pay the disability. The point is, no new employer would hire them and have these cripples walking around, lifting, bending, and carrying."(Geoghegan, 107)

Labor needs its voice and workers need their jobs -- that is why we still need unions today.

This paper was intended to diffuse some animosity toward labor unions and show that they do serve a purpose, even in today's sophisticated business environment. They contribute to productivity by reducing quit rates. They make the workplace safer. They require Management to treat people fairly. Most importantly, they force Management to listen to workers' ideas and opinions, which probably leads to better decisions. Yes, Unions can reduce profits, but Unions also do many positive things for companies and for society at large. I believe that Unions represent a net benefit, not a cost. Management must learn to develop a working relationship with the Union, instead of maintaining an adversarial one, and use this relationship for the benefit of the company, the worker, and society.

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Appendix A:

Survey

The attached survey regarding opinions of labor unions was distributed to approximately 275 juniors and seniors in Northern Illinois University's College of Business, during the fall semester 1993. The surveys were distributed to students in several sections of the following classes: Principles of Management (MGMT333); Strategic Business Problems (MGMT468); Managerial Planning and Decision Making (MGMT450); and Training and Development (MGMT444). They were also distributed during the November 1993 Society for Human Resource Management (SHRM) meeting. Respondents included 212 College of Business students (67 Management majors, 27 Accountancy majors, 31 Marketing majors, 44 Finance majors, 23 OMIS majors, and 20 others) and 26 SHRM members. The results of the opinion survey are listed in Appendix B.

12 October 1993

Dear Fellow Student:

I am a senior Human Resource Management major who needs your help in order to fulfill my final requirement for the honors program -- an independent study project. Part of this project involves solicitation of student opinions regarding labor unions. I would greatly appreciate your input on this subject via the attached survey.

The questions on the first page of the survey request your own, honest opinions of labor unions and related subjects. The last two pages request some background information to determine if there are any correlations between your background and your opinions. Please be assured that this survey is completely confidential -- there is no way to trace your response back to you. The code at the top of the survey is simply a numbering system to be used for data-entry purposes only.

Thank you in advance for your time and cooperation. I would not be able to complete this project without your help. Please return completed forms to the Management Office, Wirtz 122, by Monday, October 25, unless otherwise instructed.

Sincerely,


Laura Rossi

Attachment: 3-page survey

The following are general statements regarding union practices and personal beliefs. Please answer according to your feelings on these matters -- there are no right or wrong answers. Thank you for your time and cooperation. Please turn in completed forms at the Management Office, Wirtz 122.

Key: SA = Strongly Agree
A = Agree
N = Neutral or No opinion
D = Disagree
SD = Strongly Disagree

Code: 170

Your Opinion (please circle one)

- | | | | | | |
|---|----|---|---|---|----|
| 1. <u>Unions protect workers against unfair action.</u> | SA | A | N | D | SD |
| 2. <u>Unions improve job security.</u> | SA | A | N | D | SD |
| 3. <u>Unions improve wages and conditions.</u> | SA | A | N | D | SD |
| 4. <u>Unions give members their money's worth.</u> | SA | A | N | D | SD |
| 5. <u>Union members are highly overpaid.</u> | SA | A | N | D | SD |
| 6. <u>Corporate executives are highly overpaid.</u> | SA | A | N | D | SD |
| 7. <u>Unions are generally good for workers.</u> | SA | A | N | D | SD |
| 8. <u>Unions are generally good for the economy.</u> | SA | A | N | D | SD |
| 9. <u>Unions are no longer needed in today's work environment.</u> | SA | A | N | D | SD |
| 10. <u>Unions have contributed some good to working people.</u> | SA | A | N | D | SD |
| 11. <u>Unions make a workplace safer.</u> | SA | A | N | D | SD |
| 12. <u>Unions have a negative impact on productivity.</u> | SA | A | N | D | SD |
| 13. <u>Overall, my general feeling about unions is positive.</u> | SA | A | N | D | SD |
| 14. <u>My family's general feeling about unions is negative.</u> | SA | A | N | D | SD |
| 15. <u>My friends' general feelings about unions are positive.</u> | SA | A | N | D | SD |
| 16. <u>My classmates' general feelings about unions are negative.</u> | SA | A | N | D | SD |
| 17. <u>My teachers' general feelings about unions are positive.</u> | SA | A | N | D | SD |

Your Background Information (please check or circle one)**18. Major source of information about labor organizations**

- ☐ Family
- ☐ Friends
- ☐ TV
- ☐ Newspapers/Magazines
- ☐ Classes/Teachers
- ☐ Other

19. Ever worked? Yes/No

20. Ever worked in a unionized facility? Yes/No

21. If so, length of time _____

22. Ever been a union member? Yes/No

23. Father's (or primary male guardian's) Occupation

- ☐ Professional
- ☐ Industrial/Trades
- ☐ Clerical/Service
- ☐ Other
- ☐ Don't Know

24. Father a union member? Yes/No/Don't Know

25. Father's Education

- ☐ Some high school
- ☐ High school grad
- ☐ Some college
- ☐ College undergrad degree
- ☐ College graduate degree
- ☐ Doctoral or law degree
- ☐ Don't know

26. Mother's (or primary female guardian's) Occupation

- ☐ Professional/Managerial
- ☐ Industrial/Trades
- ☐ Clerical/Service
- ☐ Other
- ☐ Don't Know

27. Mother a union member? Yes/No/Don't Know

28. Mother's Education

- ☐ Some high school
☐ High school grad
☐ Some college
☐ College undergrad degree
☐ College graduate degree
☐ Doctoral or law degree
☐ Don't know

29. Annual family income

- ☐ < \$10,000
☐ \$10,000-30,000
☐ \$30,000-50,000
☐ \$50,000-100,000
☐ \$100,000+

30. Number of union members among your family and close friends

- ☐ 0-1
☐ 2-5
☐ 5-10
☐ 10+

31. Your Class StandingMajorMinor

- ☐ Fr
☐ So
☐ Jr
☐ Sr

(If Business, please state area --
management, accountancy, marketing,
finance, operations, etc.)

32. Classes you have taken in which labor organizations were discussed:33. Your Age

- ☐ <18
☐ 18-22
☐ 23-30
☐ 31-40
☐ 41+

34. Your Gender

Male/Female

35. Your Ethnicity

White/Black/Hispanic/Asian/Other

36. Your intended occupation

Appendix B:
Union Opinion-Survey Results

Some Interesting Correlations

There were no correlations between students' attitudes about unions and family income, parents' education, parents' occupation, or parents' union status.

Females have a more positive view of unions than men; they are less likely than men to believe that union members are highly overpaid.

The more students rely on classes and teachers for information about unions, the more negative their opinions tend to be.

Less positive in general.

More likely to believe that unions negatively impact productivity.

More likely to believe that unions are no longer needed.

Less likely to believe that unions are good for the economy.

*** The more students rely on family and friends for information about unions, the more positive their opinions tend to be.**

More positive in general.

Less likely to believe that unions negatively impact productivity.

Less likely to believe that unions are no longer needed.

More likely to believe that unions are good for the economy.

*** Students are consistent in their opinions; those who believe that unions provide job security, also believe that unions improve wages and conditions and protect workers against unfair actions.**

Responses of 212 NIU College of Business Students
(percentages)

	SA	A	N	D	SD
1. Unions protect workers	19	66	11	3	1
2. Unions improve security	14	62	14	9	1
3. Unions improve wages/cond.	13	67	15	5	0
4. Unions give money's worth	4	19	51	22	4
5. Members highly overpaid	8	22	48	20	2
6. Corp. execs highly overpaid	18	38	26	17	1
7. Unions good for workers	6	63	21	7	3
8. Unions good for economy	3	22	45	23	7
9. Unions no longer needed	4	12	29	48	7
10. Good for working people	14	79	5	1	1
11. Unions make workplace safer	10	50	30	9	1
12. Unions negative productivity	7	23	35	32	3
13. My feelings are positive	6	46	26	16	6
14. Family's feelings negative*	2	19	41	30	8
15. Friends' feelings positive*	3	22	59	14	2
16. Classmates' feelings negative*	0	9	72	17	2
17. Teachers' feelings positive*	1	17	75	5	2

* Responses to the last four questions cannot be considered valid for two reasons: 1) The responses were overwhelming neutral, indicating that students do not know how their families, friends, classmates, and teachers feel about unions; and 2) Many students disregarded the reverse coding and answered all four questions as if they were the same.

Responses of 26 Society for Human Resource Management Members
(percentages)

	SA	A	N	D	SD
1. Unions protect workers	12	77	11	0	0
2. Unions improve security	15	69	12	4	0
3. Unions improve wages/cond.	8	73	15	4	0
4. Unions give money's worth	0	23	62	15	0
5. Members highly overpaid	11	31	39	19	0
6. Corp. execs highly overpaid	23	39	27	11	0
7. Unions good for workers	0	65	35	0	0
8. Unions good for economy	0	12	65	23	0
9. Unions no longer needed	0	8	31	61	0
10. Good for working people	4	96	0	0	0
11. Unions make workplace safer	0	65	35	0	0
12. Unions negative productivity	4	23	50	23	0
13. My feelings are positive	4	50	27	19	0
14. Family's feelings negative*	0	15	46	31	8
15. Friends' feelings positive*	0	35	50	15	0
16. Classmates' feelings negative*	0	23	62	15	0
17. Teachers' feelings positive*	0	8	77	15	0

* Responses to the last four questions cannot be considered valid for two reasons: 1) The responses were overwhelming neutral, indicating that students do not know how their families, friends, classmates, and teachers feel about unions; and 2) Many students disregarded the reverse coding and answered all four questions as if they were the same.

Responses of 27 NIU Accountancy Majors

(percentages)

	SA	A	N	D	SD
1. Unions protect workers	15	63	15	4	3
2. Unions improve security	15	52	15	18	0
3. Unions improve wages/cond.	15	63	7	15	0
4. Unions give money's worth	4	22	44	19	11
5. Members highly overpaid	7	11	59	22	0
6. Corp. execs highly overpaid	8	37	22	33	0
7. Unions good for workers	11	63	7	11	7
8. Unions good for economy	4	33	30	22	11
9. Unions no longer needed	4	19	19	47	11
10. Good for working people	11	82	7	0	0
11. Unions make workplace safer	7	48	33	11	0
12. Unions negative productivity	11	22	26	37	4
13. My feelings are positive	7	52	15	11	15
14. Family's feelings negative*	0	33	41	22	4
15. Friends' feelings positive*	4	22	44	30	0
16. Classmates' feelings negative*	0	11	67	22	0
17. Teachers' feelings positive*	0	22	74	4	0

* Responses to the last four questions cannot be considered valid for two reasons: 1) The responses were overwhelming neutral, indicating that students do not know how their families, friends, classmates, and teachers feel about unions; and 2) Many students disregarded the reverse coding and answered all four questions as if they were the same.

Responses of 44 NIU Finance Majors

(percentages)

	SA	A	N	D	SD
1. Unions protect workers	16	68	14	2	0
2. Unions improve security	11	73	7	7	2
3. Unions improve wages/cond.	20	57	14	9	0
4. Unions give money's worth	9	16	43	30	2
5. Members highly overpaid	9	30	43	14	4
6. Corp. execs highly overpaid	23	48	25	4	0
7. Unions good for workers	7	61	21	4	7
8. Unions good for economy	9	18	39	23	11
9. Unions no longer needed	4	9	30	48	9
10. Good for working people	18	73	9	0	0
11. Unions make workplace safer	18	41	36	5	0
12. Unions negative productivity	9	30	29	30	2
13. My feelings are positive	5	39	29	25	2
14. Family's feelings negative*	5	11	41	34	9
15. Friends' feelings positive*	5	27	54	9	5
16. Classmates' feelings negative*	0	5	79	11	5
17. Teachers' feelings positive*	0	11	86	0	3

* Responses to the last four questions cannot be considered valid for two reasons: 1) The responses were overwhelming neutral, indicating that students do not know how their families, friends, classmates, and teachers feel about unions; and 2) Many students disregarded the reverse coding and answered all four questions as if they were the same.

Responses of 67 NIU Management Majors
(percentages)

	SA	A	N	D	SD
1. Unions protect workers	19	66	8	6	1
2. Unions improve security	15	63	16	5	1
3. Unions improve wages/cond.	10	69	16	3	2
4. Unions give money's worth	0	19	55	21	5
5. Members highly overpaid	9	21	46	24	0
6. Corp. execs highly overpaid	19	36	28	16	0
7. Unions good for workers	1	66	22	9	2
8. Unions good for economy	0	19	51	25	5
9. Unions no longer needed	3	10	30	55	2
10. Good for working people	10	85	3	0	2
11. Unions make workplace safer	5	55	25	12	3
12. Unions negative productivity	5	21	46	28	0
13. My feelings are positive	5	46	30	16	3
14. Family's feelings negative*	3	19	37	33	8
15. Friends' feelings positive*	0	24	58	15	3
16. Classmates' feelings negative*	0	18	64	18	0
17. Teachers' feelings positive*	2	16	67	13	2

* Responses to the last four questions cannot be considered valid for two reasons: 1) The responses were overwhelming neutral, indicating that students do not know how their families, friends, classmates, and teachers feel about unions; and 2) Many students disregarded the reverse coding and answered all four questions as if they were the same.

Responses of 31 NIU Marketing Majors

(percentages)

	SA	A	N	D	SD
1. Unions protect workers	23	61	16	0	0
2. Unions improve security	6	52	23	19	0
3. Unions improve wages/cond.	13	61	26	0	0
4. Unions give money's worth	3	13	55	26	3
5. Members highly overpaid	7	16	58	16	3
6. Corp. execs highly overpaid	16	29	32	13	10
7. Unions good for workers	7	61	29	3	0
8. Unions good for economy	0	32	49	16	3
9. Unions no longer needed	3	13	29	45	10
10. Good for working people	19	71	3	7	0
11. Unions make workplace safer	10	45	35	10	0
12. Unions negative productivity	6	36	36	19	3
13. My feelings are positive	6	42	26	19	7
14. Family's feelings negative*	3	19	39	29	10
15. Friends' feelings positive*	7	10	77	6	0
16. Classmates' feelings negative*	0	7	77	13	3
17. Teachers' feelings positive*	7	19	74	0	0

* Responses to the last four questions cannot be considered valid for two reasons: 1) The responses were overwhelming neutral, indicating that students do not know how their families, friends, classmates, and teachers feel about unions; and 2) Many students disregarded the reverse coding and answered all four questions as if they were the same.

Responses of 23 NIU OMIS Majors

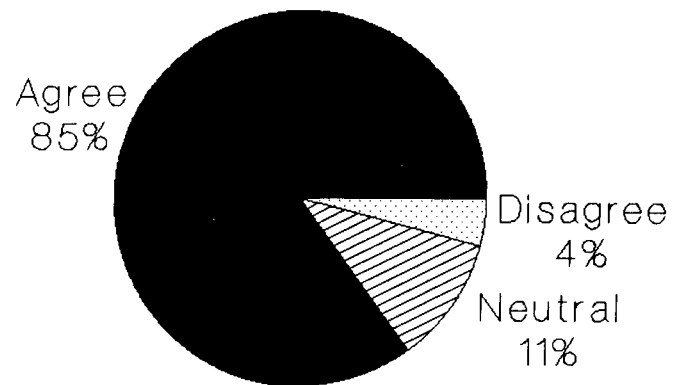
(percentages)

	SA	A	N	D	SD
1. Unions protect workers	18	65	13	4	0
2. Unions improve security	22	61	13	4	0
3. Unions improve wages/cond.	4	87	9	0	0
4. Unions give money's worth	0	26	52	22	0
5. Members highly overpaid	9	30	44	17	0
6. Corp. execs highly overpaid	18	39	26	17	0
7. Unions good for workers	4	61	26	9	0
8. Unions good for economy	0	9	61	26	4
9. Unions no longer needed	13	13	18	52	4
10. Good for working people	9	91	0	0	0
11. Unions make workplace safer	9	61	22	8	0
12. Unions negative productivity	17	22	22	39	0
13. My feelings are positive	4	52	22	9	13
14. Family's feelings negative*	0	9	57	30	4
15. Friends' feelings positive*	0	22	70	8	0
16. Classmates' feelings negative*	0	0	65	35	0
17. Teachers' feelings positive*	0	18	74	4	4

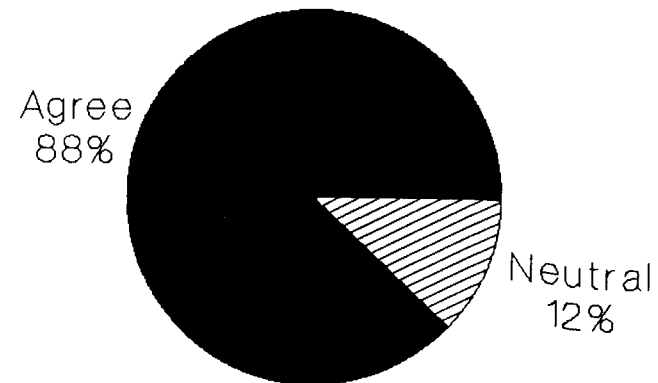
* Responses to the last four questions cannot be considered valid for two reasons: 1) The responses were overwhelming neutral, indicating that students do not know how their families, friends, classmates, and teachers feel about unions; and 2) Many students disregarded the reverse coding and answered all four questions as if they were the same.

Appendix C:
Comparison Charts

Unions Protect Workers Against Unfair Actions

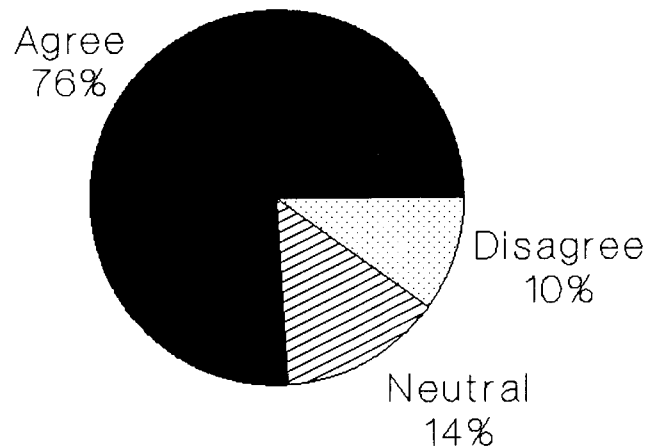


212 C.O.B. Students

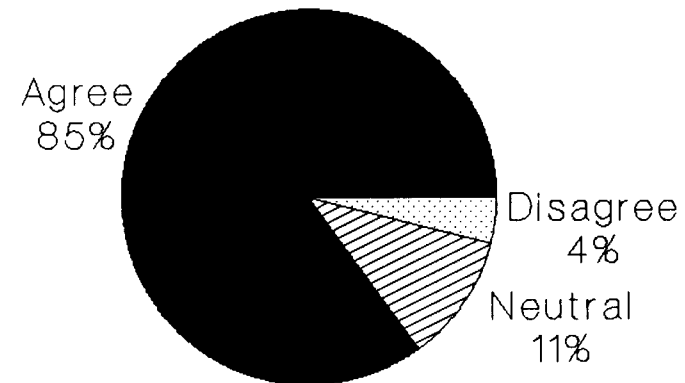


26 SHRM Members

Unions Improve Job Security



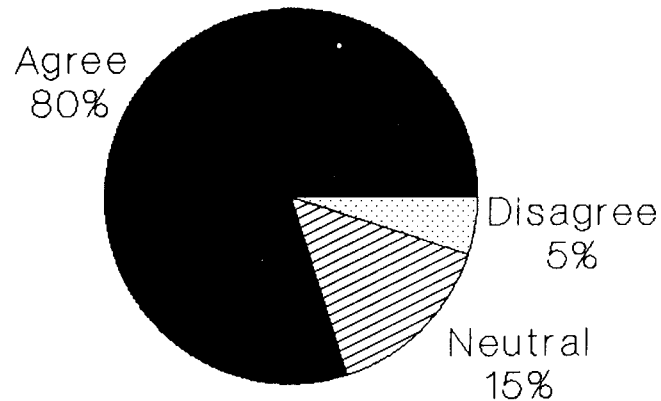
212 C.O.B. Students



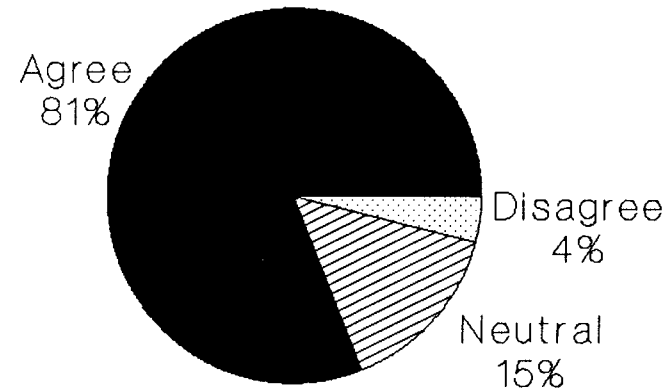
26 SHRM Members

Unions Improve Wages/Conditions

same

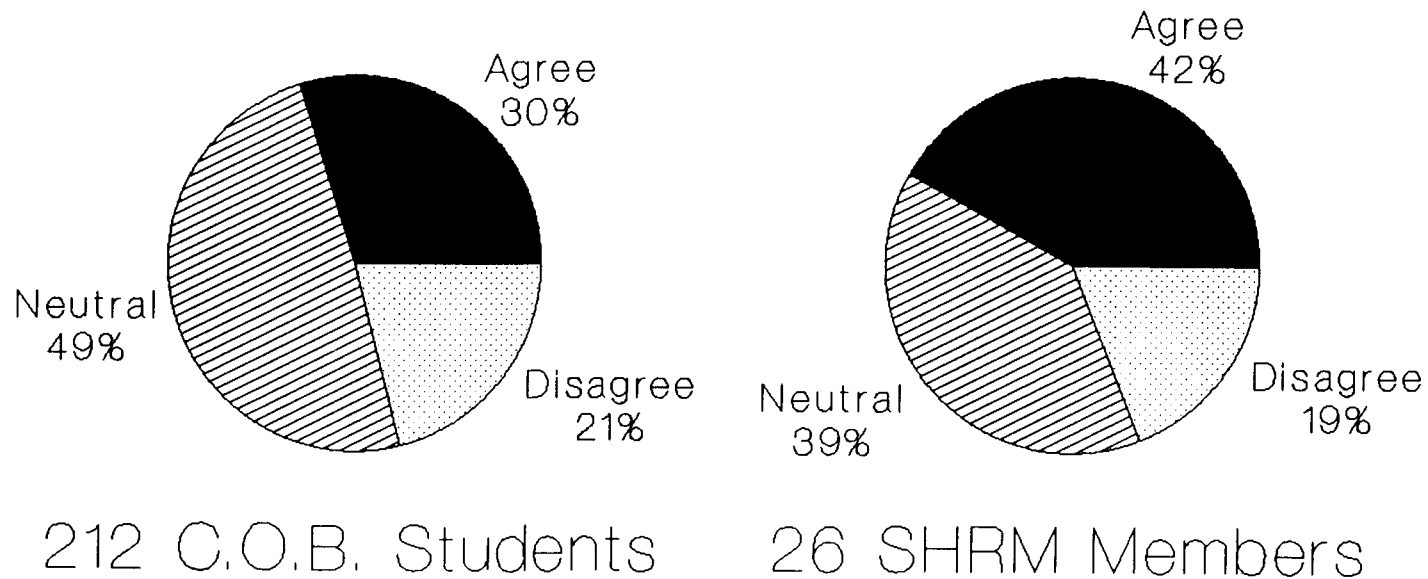


212 C.O.B. Students

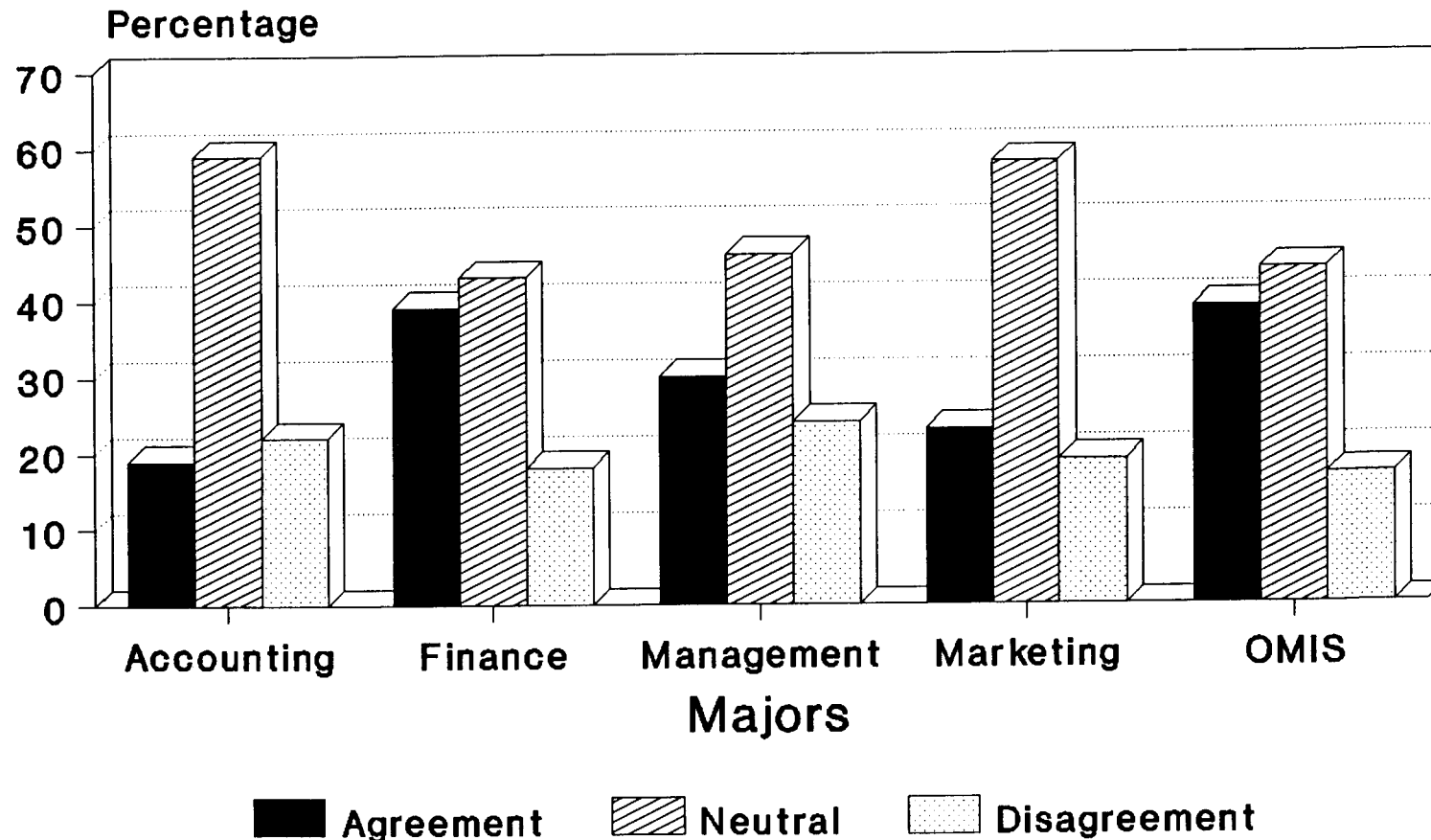


26 SHRM Members

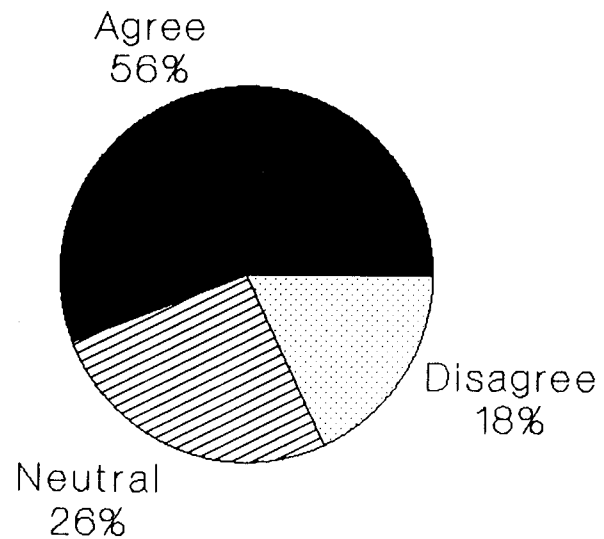
Union Members Highly Overpaid



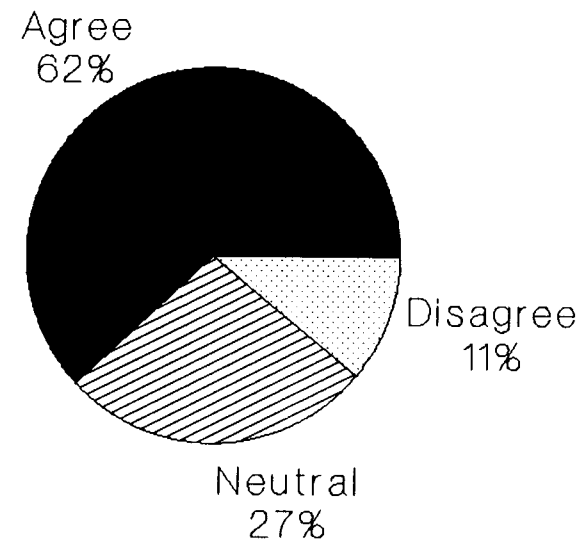
Union Members Are Highly Overpaid



Corp. Execs Highly Overpaid

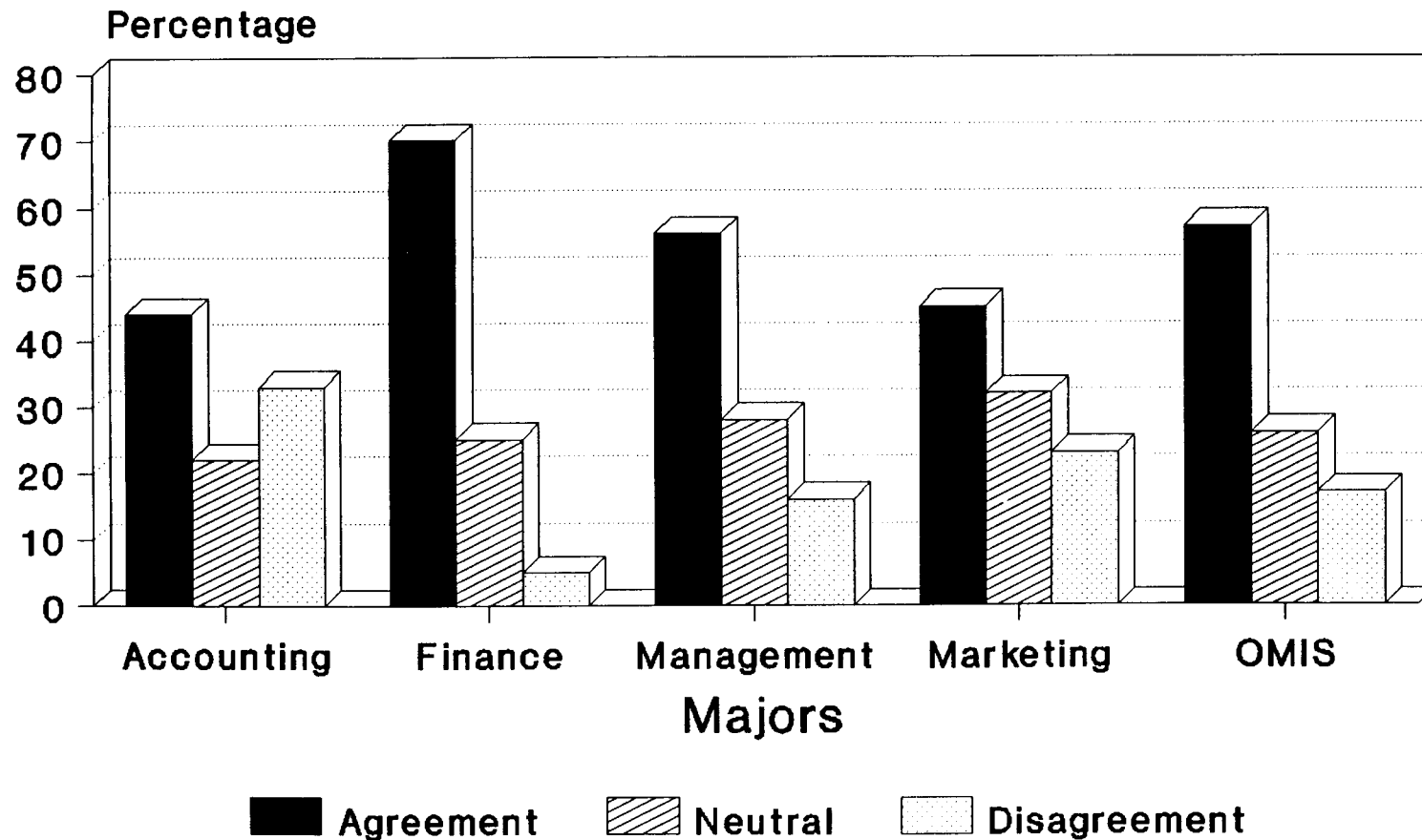


212 C.O.B. Students

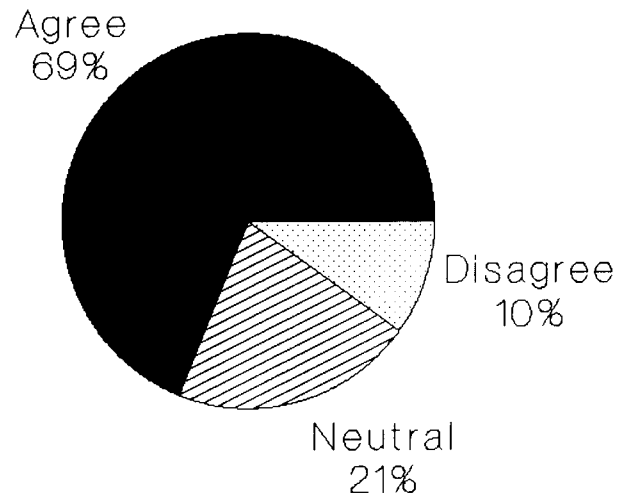


26 SHRM Members

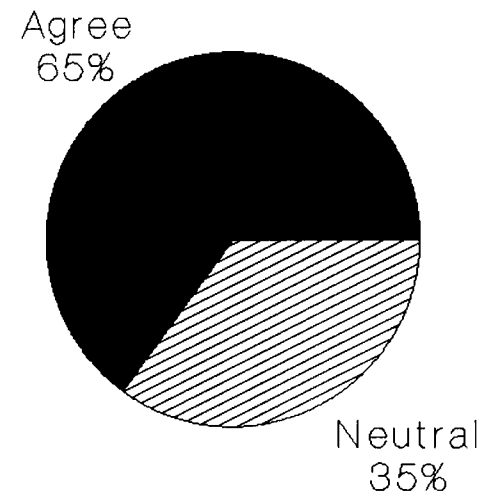
Corporate Executives Are Highly Overpaid



Unions Are Good For Workers

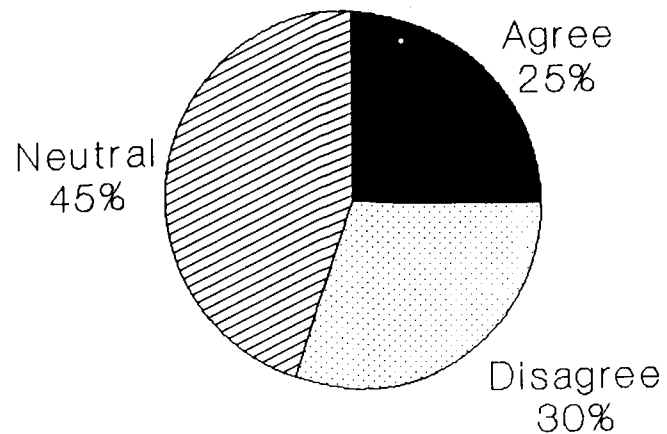


212 C.O.B. Students

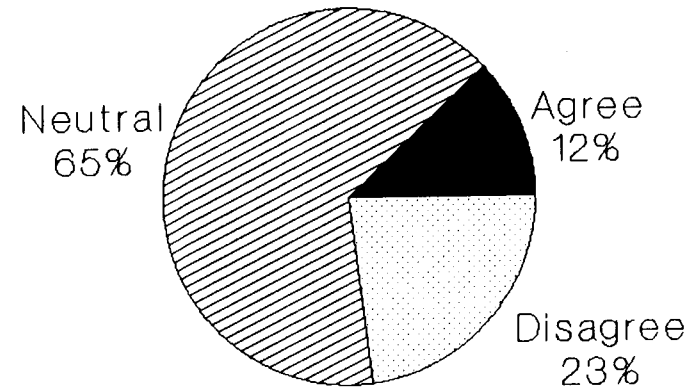


26 SHRM Members

Unions Good For The Economy

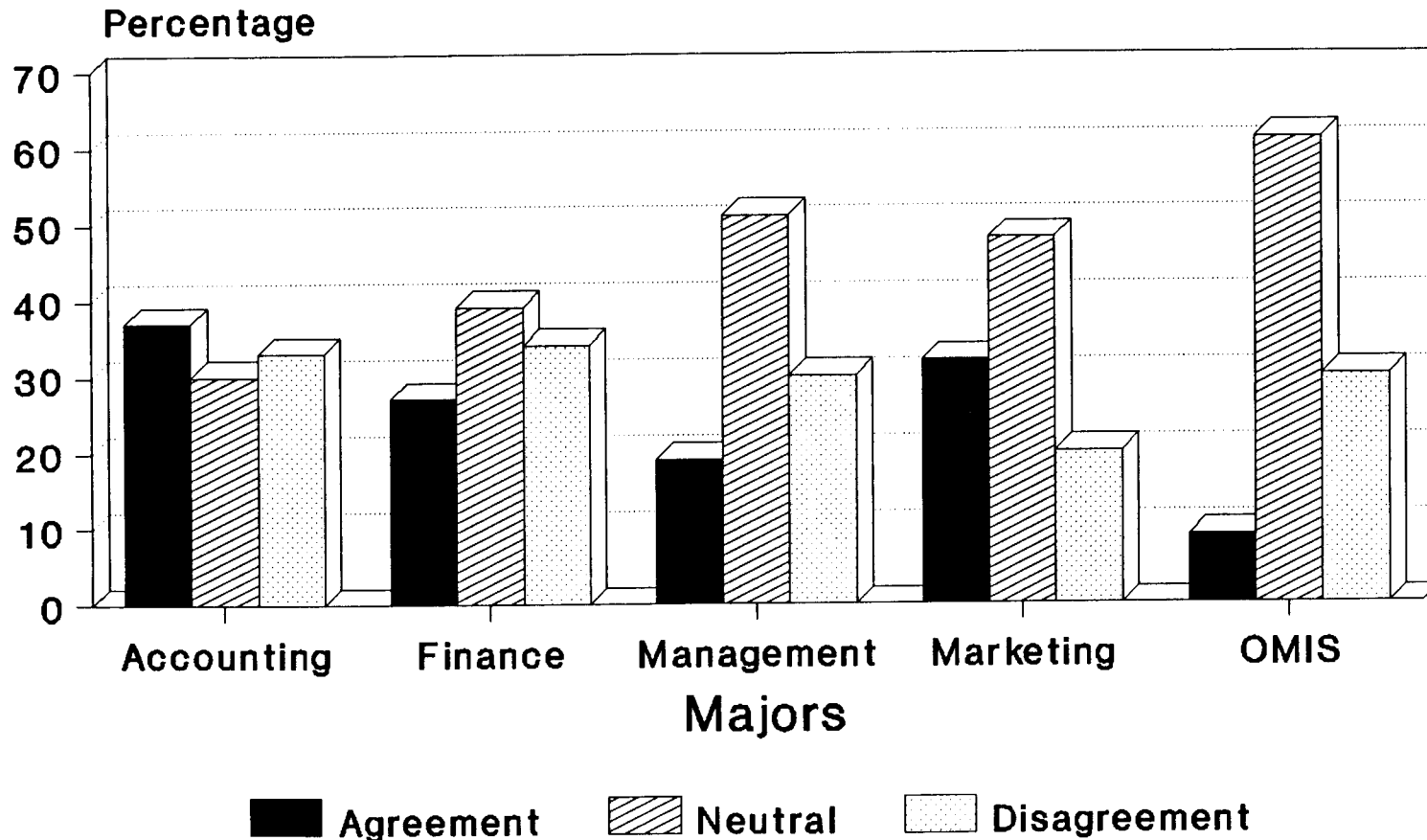


212 C.O.B. Students

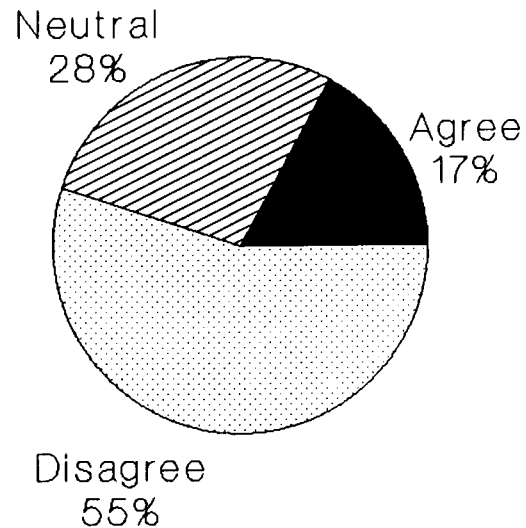


26 SHRM Members

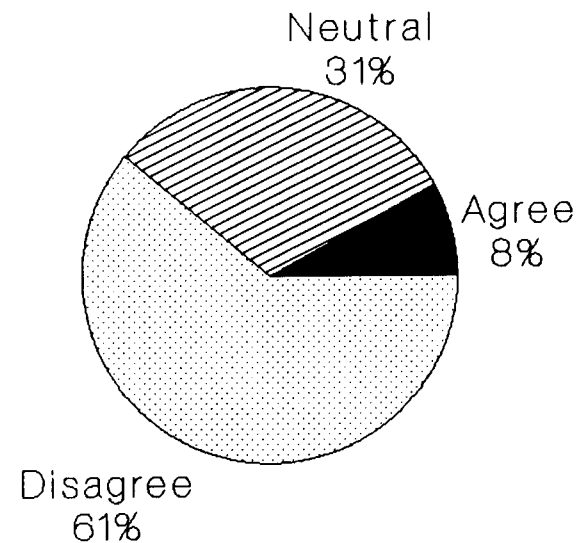
Unions Are Good For The Economy



Unions Are No Longer Needed

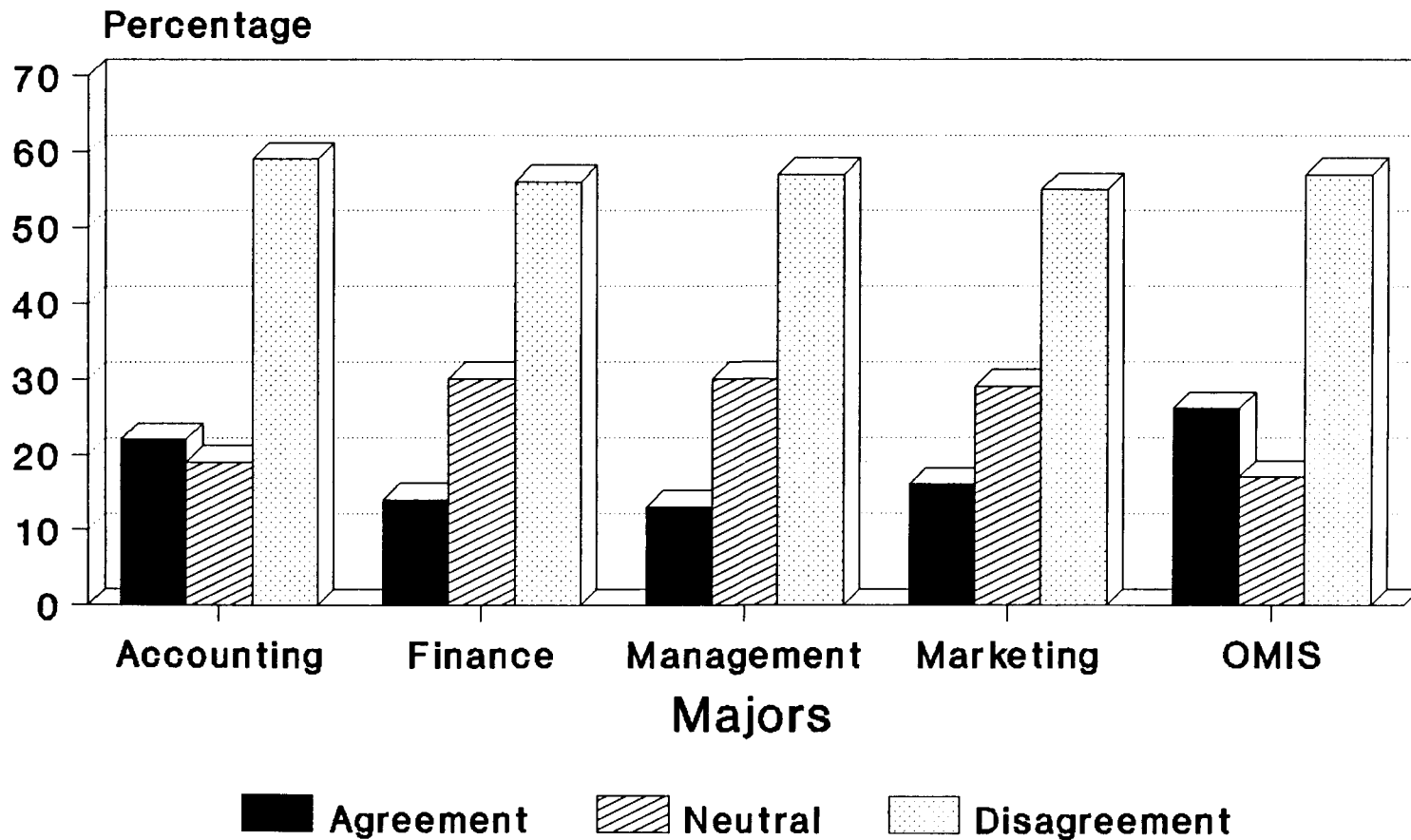


212 C.O.B. Students

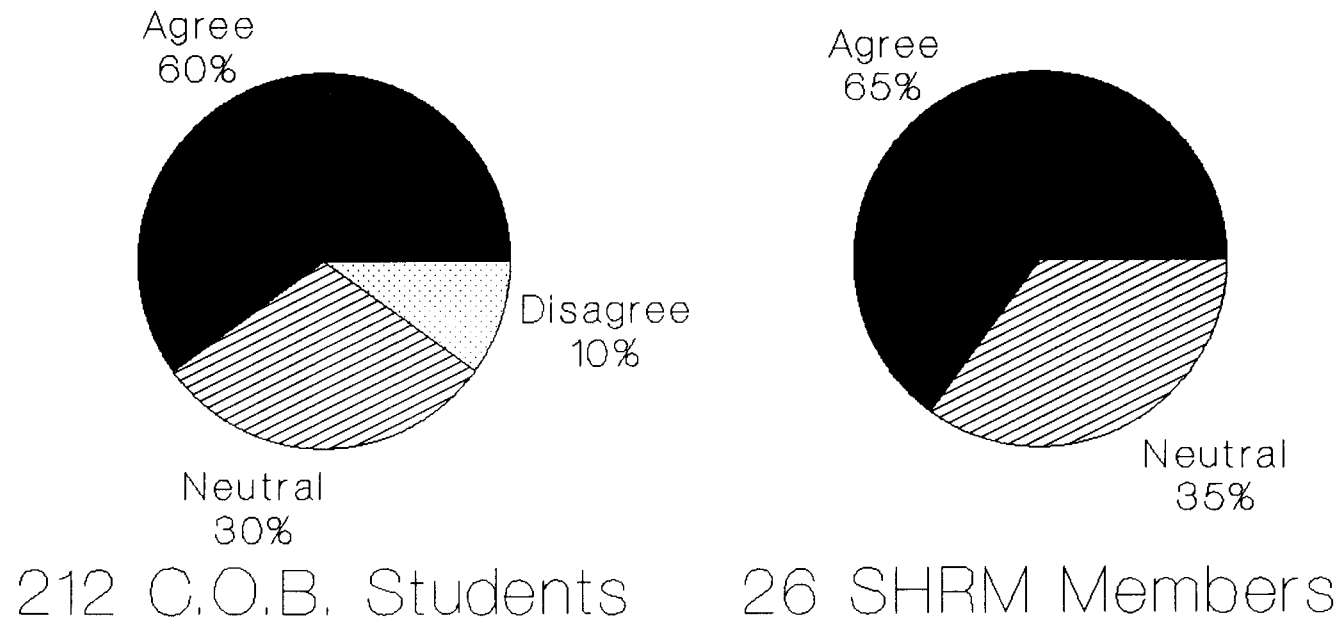


26 SHRM Members

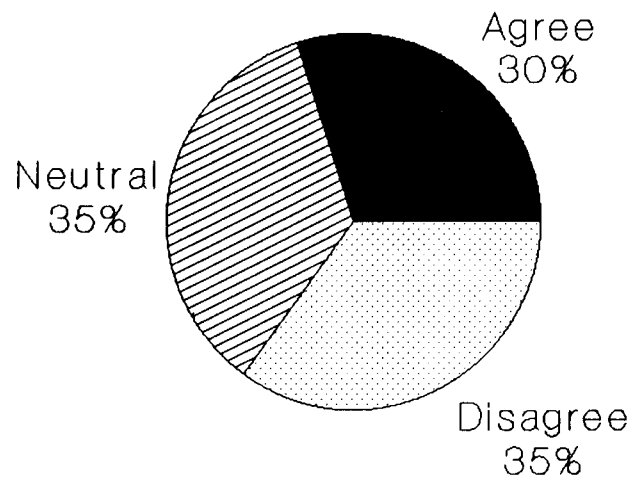
Unions Are No Longer Needed



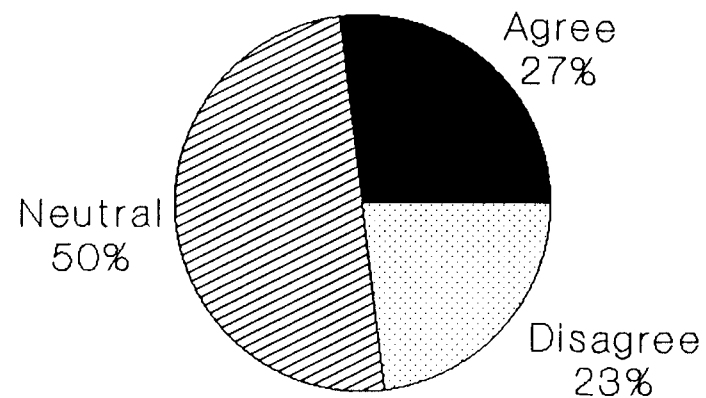
Unions Make Workplace Safer



Unions Negatively Impact Productivity

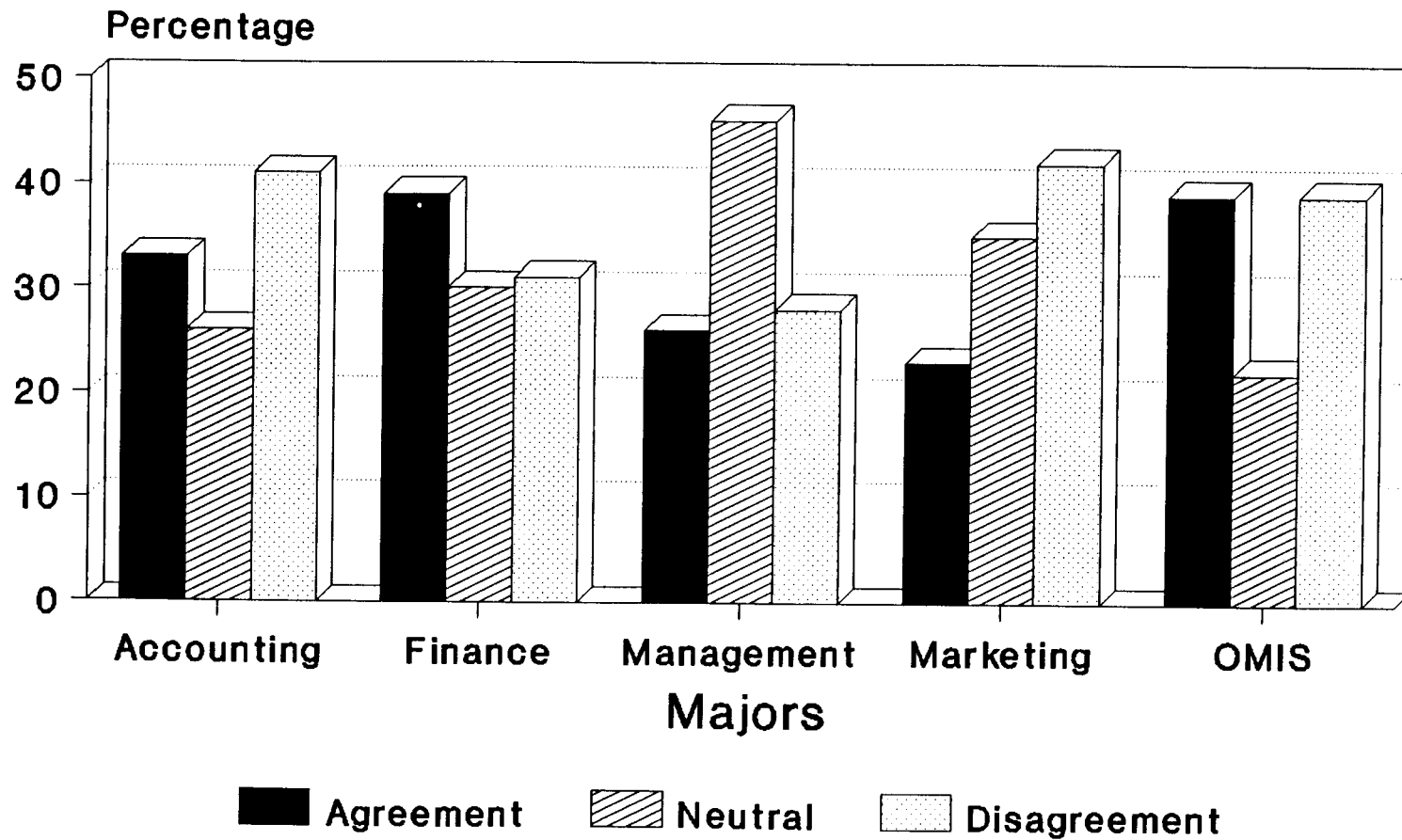


212 C.O.B. Students

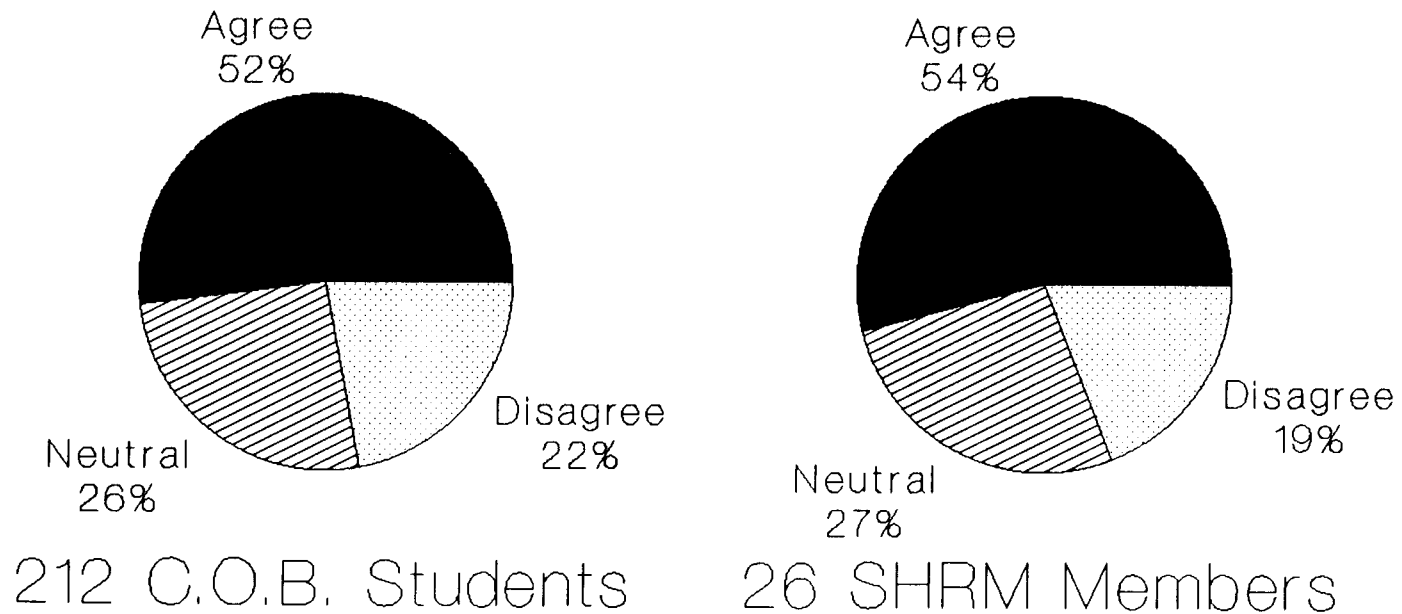


26 SHRM Members

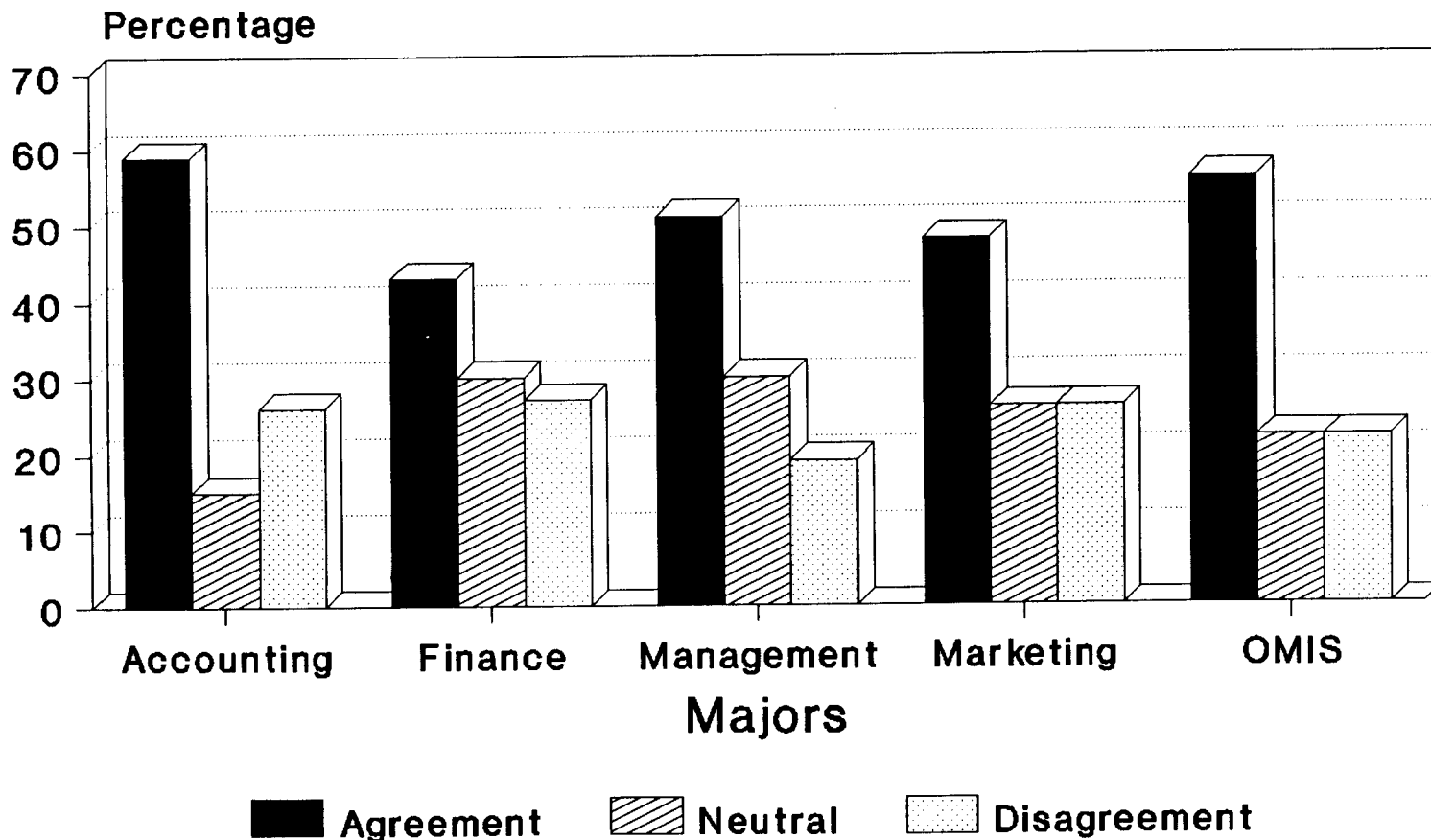
Unions Negatively Impact Productivity



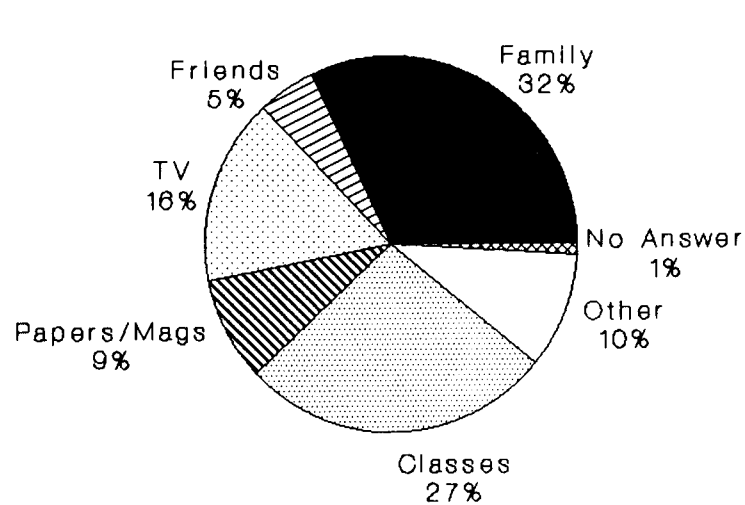
General Feeling About Unions Is Positive



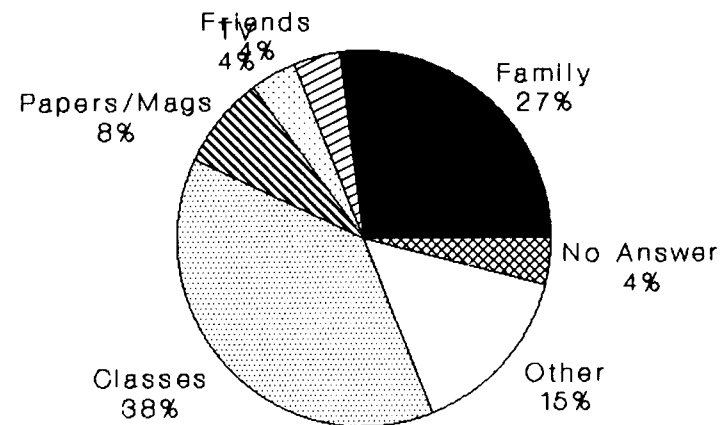
General Feeling About Unions Is Positive



Major Source of Info about labor unions



212 C.O.B. Students



26 SHRM Members